

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1883
ANSWERED ON:29.11.2007
BLACKMARKETING OF KEROSENE
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the number of cases of black-marketing of kerosene oil that have come to light since 1999 and the action taken thereon;
- (b) whether it has been found that there is a nexus between the civil supplies officials and the kerosene oil dealers;
- (c) if so, the steps taken by the Government to check the black-marketing of kerosene oil; and
- (d) the details of action taken against such black-marketers?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d): Allocation of PDS kerosene is made by the Government of India to different States/Union Territories (UTs) on a quarterly basis for distribution under Public Distribution System (PDS). Further distribution within the States/UTs through their PDS network is the responsibility of the concerned States/UTs. The Oil Marketing Companies (OMCs) undertake regular and surprise inspections of their SKO dealers and take action against the defaulters under Marketing Discipline Guidelines. OMCs have reported that 15 cases of black marketing of kerosene oil have come to light since 1999 upto September 2007. Details of action taken in the above mentioned cases are as under:

Action Taken	Number of cases	Terminated	04	After suspension of sales and supplies, supplies yet to resume	03	After suspension of sales and supplies, wholesale licence restored	08	Government is not aware about nexus between the civil supplies officials and the kerosene oil dealers.

In order to check the black marketing of Public Distribution System (PDS) kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, according to which the dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or OMCs and that the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

Under the Control Orders issued by the Government to prevent diversion and black-marketing of kerosene under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in black-marketing and other irregularities. Government have also approved a pilot project – 'Jan Kerosene Pariyojana' (JKP) for radically revamping the PDS kerosene distribution network with the primary objective of ensuring that this heavily subsidized product is actually made available in the required quantities at subsidized prices to the intended beneficiaries; and secondly, to thus cap, reverse and eventually eliminate the diversion of PDS kerosene for adulteration. One of the salient features of this scheme is that supplies to the sub-wholesale points will be made under the direct supervision and responsibility of the public sector OMCs. The scheme has been launched on a pilot basis in 414 blocks in the country from 2nd October, 2005. The pilot scheme has been further extended upto 31.12.2007. With a view to checking diversion of subsidized kerosene and in order to monitor the movement of Tank Trucks transporting petroleum products, the Government have advised the public sector OMCs for installing Global Positioning System (GPS) based vehicle tracking system on all the tank trucks. The essential features of the system is that the vehicle carrying PDS SKO is fitted with a device and can be tracked on real time basis from the time it leaves the supply location and till it reaches the destination. To check adulteration in auto fuels, and also to check diversion of subsidized kerosene, Government have also advised OMCs to introduce marker in adulterants. Public sector OMCs have commenced introduction of marker in kerosene on all India basis with effect from 1.10.2006. Under the new system, Marker is being put in kerosene in all depots. This system heralds the introduction of world-class technology to curb and eventually eliminate the menace of adulteration of transportation fuels along the supply chain. With the marker's presence, adulteration even with very low levels of kerosene can be detected. MS/HSD Control Order, 2005, SKO Control Order, 1993 and MDG 2005 have been amended for making provision regarding introduction of marker system in Kerosene to check adulteration. A committee has been set up in the Ministry to monitor the progress of the marker system. Oil Marketing Companies in the Private sector have also been simultaneously asked to introduce marker in Keros.